

Report of the Treasurer

National Fraud Initiative 2018/19

Purpose of report

1. To update Members on the National Fraud Initiative (NFI).
-

Recommendation

The Treasurer recommends that the Committee notes the process of examining all National Fraud Initiative matches is underway and that no fraud has been detected in relation to the completed review of employee matches.

Introduction and Background

2. The NFI is a biennial exercise carried out since 2006/07 for local government and other public bodies currently undertaken by the Cabinet Office.
3. Authorities are required to provide certain mandatory datasets; for the Fire Authority, the mandatory datasets comprise of creditors, payroll and pensions payroll. Payroll and pensions payroll data is subject to a series of data matches against data provided by other public bodies including payroll, pensions, Housing Benefit, Home Office (removed and failed asylum seekers), UK Visas and Department for Work and Pensions deceased persons. Creditor payments are matched only within Authorities.
4. The data provided is processed by a specialist contractor on behalf of the Cabinet Office. Data matches are notified to Authorities for examination to eliminate the possibility of fraud and/or error. The existence of a match in an NFI report does not mean that there is a fraud, only that there is a need to investigate further to eliminate the possibility of fraud or error.
5. The initial NFI reports were received later this year than previously (late February as compared to late January, and examination of the matches is running behind previous years. As in previous years all matches will be fully investigated and reported to the next Committee meeting.
6. A complete list of matches is shown at Appendix 1. Members are advised that detailed work on the creditor matches is still on-going, but historically over the previous six NFI cycles a full review of each match has not identified any fraud.

Analysis of Reports

7. Each NFI report is produced with a particular purpose which will be stated and comprises of a number of matches and a number of items. There will be more items than matches and each match may have more than two items.

Report 65 – Payroll to Payroll – within bodies

8. The purpose of this report is to identify if there are inappropriate dual employments – e.g. risking safety by long working hours or claiming sick pay from one job whilst working on another.
9. Two matches were identified who were both WT staff who also have RDS contracts with the service.

Report 66 – Payroll to Payroll – between bodies

10. The purpose of this report is to identify if there are inappropriate dual employments – e.g. risking safety by long working hours or claiming sick pay from one job whilst working on another elsewhere.
11. The criteria for the match are a person having one full time post plus at least one other post elsewhere.
12. The report produced 17 new matches, the reasons for these were validated and are detailed below:
 - 16 are RDS personnel with legitimate second jobs
 - 1 is a WT firefighter who provides RDS cover in another service

Creditor Matches – General

13. The main purpose of these data matches, which are based solely within bodies, is to identify potential duplications and errors which could result from or lead to fraud.
14. Due to the later receipt of reports this year work is not yet complete on examining these matches.

Procurement Matches – Report 750 – Payroll to Companies House (Director)

15. A new report for this round of NFI.
16. The purpose of this report is to identify undeclared interests that have given a pecuniary advantage. This matches payroll data to Companies House information and then to creditor data.
17. The report produces 3 matches:
 - a. One relates to the directorship of Place Partnership Ltd (PPL) held by the Chief Fire Officer on behalf of the Authority – where there is no pecuniary interest.

- b. The second relates to a disclosed directorship of “Lawyers for Local Government” – where again there is no pecuniary interest.
- c. The final match relates to the one invoice where the Community Safety department used a company where one of the directors is an RDS member of staff.

Conclusion and Further Work

18. A final report will be brought to the next Audit and Standards Committee to provide final details in relation to:
- Creditor matching reports,
 - Any new reports published in the interim.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	None
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None
Consultation (identify any public or other consultation that has been carried out on this matter)	None
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	None

Supporting Information

Appendix 1 – National Fraud Initiative – 2018/19 Raw Data Match

Contact Officer

Martin Reohorn, Director of Finance
(01905 368205)
Email: mreohorn@hwfire.org.uk